Main features of R&D tax incentives in selected OECD, EU and partner economies, 2020

Expenditure-based R&D tax incentives			
Tax relief redeemable against CIT			**Tax relief redeemable against payroll withholding tax or social security contributions**
R&D tax credit		**R&D tax allowance**	
Volume	**Incremental/hybrid**		
Taxable: Australia, Canada, Chile, United Kingdom (large firms) *Non-taxable*: Austria, Belgium (incompatible with allowance), Colombia (general and SME only tax credits), Denmark (deficit only), France, Germany, Hungary, Iceland, Ireland, Italy, Japan (volume and special R&D), Korea (investment), Malta, New Zealand (general and deficit only tax credit), Norway	*Taxable*: United States (credit on fixed, indexed base and incremental for simplified credit) *Non-taxable*: Japan (high R&D intensity), Korea, Mexico, Portugal, Spain	*Non-taxable*: Belgium, Brazil, China, Croatia, Czech Republic (hybrid), Denmark, Greece, Hungary, Latvia, Lithuania, Poland (R&D tax allowance, deduction for R&D Centres), Romania, Russian Federation, Slovak Republic (hybrid and volume-based), Slovenia, South Africa, Switzerland (cantonal level - optional), Turkey (incremental), United Kingdom (SMEs)	*Taxable*: Belgium, France, Hungary (exemption and credit, incompatible in use), Netherlands , Spain, Sweden, Turkey
Treatment of unused claims			
Refund option			
Australia (SMEs), Austria, Belgium (after five years), Canada (SMEs), Colombia (SMEs), Denmark, France, Germany, Iceland, Ireland, Italy, New Zealand (general and deficit only tax credit), Norway, United Kingdom (large companies)	Spain (reduced, payable credit optional), United States (payroll tax offset for certain start-ups)	Poland (R&D tax allowance - start-ups), United Kingdom (SMEs)	*Automatic refund through wage system (limited to PWHT and SSC liability)*
Carry-forward option			
Australia, Belgium, Canada, Chile, Colombia, France, Hungary, Ireland, Malta, New Zealand (general tax credit), United Kingdom	Korea, Portugal, Spain (unreduced, non-payable credit), United States	Belgium, China, Croatia, Czech Republic, Denmark, Greece, Hungary, Latvia, Lithuania, Poland, Romania, Russian Federation, Slovak Republic, Slovenia, South Africa, Turkey, United Kingdom	*Not applicable*
Preferential tax incentive provisions or more favourable terms			
SMEs			
Australia, Canada, Colombia, France, Japan (volume), Malta, Norway	Korea, Portugal (start-ups), United States (qualified small business, certain start-ups)	Belgium, Croatia, Poland (R&D tax allowance - start-ups), United Kingdom (SMEs)	Belgium (young innovative firms), France (JEI/JEU), Netherlands (start-ups), Spain (innovative SMEs)
Collaboration			
France	Iceland, Japan	Hungary	Belgium
Limitation of R&D tax relief			
Threshold-dependent credit rates			
Canada (CCPCs), France			Netherlands
Ceilings on amount of eligible R&D expenditure or value of R&D tax relief			
R&D expenditure: Australia, Austria (subcontracted R&D), Chile, Colombia, Denmark, France (subcontracted R&D), Germany, Iceland, Ireland (subcontracted R&D), Norway *R&D tax relief*: Colombia, Hungary, Italy, Japan (volume and special R&D), Malta, New Zealand (general and deficit only tax credit)	R&D expenditure: Portugal (incremental) R&D tax relief: Japan (incremental and high R&D intensity), Korea (large firms), Spain, United States	*R&D expenditure*: China (subcontracted R&D), Croatia, Turkey (subcontracted R&D), Switzerland (cantonal level - optional) *R&D tax relief*: Hungary (R&D collaboration), United Kingdom (SMEs) *R&D expenditure and tax relief*: Slovak Republic (volume-based tax allowance)	Belgium, France, Hungary (exemption and credit, incompatible in use), Spain, Sweden, Turkey
Accelerated depreciation provisions for R&D capital			
Belgium, Brazil, Chile, China, Denmark, France, Ireland, Israel (non R&D specific), Lithuania, Poland, Romania, Russian Federation, Spain, Turkey, United Kingdom			
No expenditure-based R&D tax incentives			
Bulgaria, Cyprus, Estonia, Finland, Latvia, Luxembourg			

Notes: No call for R&D tax incentives in Argentina in 2020. The extension of the R&D tax allowance in Thailand is pending approval. Hungary also offers a KIVA exemption and credit which are mutually exclusive in their use with the SSC exemption and credit.

Source: OECD R&D Tax Incentives Database, http://oe.cd/rdtax, December 2020.